



Improving claims management

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Improving the processing of workers' compensation claims is one of five high-priority projects at the Department of Labor and Industries. Several new initiatives now under way are aimed at making it easier for injured workers and their employers to get the claim information they need and the fair and timely service they deserve. The improvements will have a major impact on Washington workers and employers. L&I provides workers' compensation coverage for about 160,000 employers and 1.9 million workers. The agency processes more than 140,000 claims and pays out more than \$1.4 billion each year for injured workers' medical costs, partial wage replacement and pensions.

Why is L&I making these improvements?

Washington's workers' compensation system has been praised by independent reviewers for its high level of benefits and relatively low costs. Customer surveys also have indicated a widespread satisfaction with the services provided.

We recognize, though, that there is considerable room for improvement in the way we process claims. Both employers and workers have indicated that what matters most to them is:

- Fairness of the claims process,
- Speed in which claims services are delivered, and
- Clarity of information they receive about their claims.

What is L&I doing to improve the fairness of the claims process?

We believe a major way to improve fairness in processing claims is to concentrate claim managers' efforts on the two basic elements of claim management: determining whether a claim is valid and ensuring that the injured worker receives prompt and appropriate medical treatment and partial wage replacement.

Here are some of the actions under way to improve claim fairness:

- Claim managers are receiving advanced medical training on methods and guidelines to help an injured worker recover faster and return to work earlier.
- Employers are being contacted more quickly when a claimant is out of work for more than two weeks. This gives employers an opportunity to work with the claim manager and employee to get the worker healed up and back to work sooner. It also allows the employer to more timely challenge claims they believe are invalid.
- A "red flag" list has been developed to assist both claim managers and employers in detecting possibly invalid or fraudulent claims more quickly and ensure that those claims are investigated in a timely manner.
- We now buy for vocational rehabilitation services based on results, with emphasis on returning the worker to work as soon as possible.
- We are realigning our expert resources into the claims units for enhanced coaching, quality reviews and work checking. This means that expert resources will be located in each unit to provide claim managers with quick assistance.

What is L&I doing to improve the speed with which claims services are delivered?

We have many efforts under way to speed up claims service delivery, such as:

- We now use a fax system to authorize or deny physical therapy requests within a matter of hours rather than days and sometimes weeks.
- We have changed the process for allowance of occupational disease claims, which means we can approve surgery requests faster, thus greatly hastening the treatment and healing process.
- Approval of such services as job modifications now can be made by experts on the spot rather than by claim managers. This results in workers being able to return to their jobs sooner.
- Several changes have been made in the handling of independent medical exams. These exams are used to better manage the medical aspects of a claim. L&I now uses centralized scheduling of these exams, which has speeded up their timeliness. Exam providers are paid when the exam report is received, thus encouraging providers to promptly complete the reports needed to determine eligibility and best treatment options.

What is L&I doing to improve communication with employers and injured workers?

Better communication with our customers is an important aspect of our focus on reform:

- We have changed our phone system to ensure that an injured worker or employer who calls us can talk to a real person rather than recording voice mail.
- We are assigning the top 100 employers (in terms of premiums paid) to specific claim managers in one unit. We also are assigning claims from specific geographic areas to specific claim units. This will allow employers, L&I field office staff and claim managers to communicate on a regular basis. All will be able to better understand the needs and concerns of the others.
- We are developing a new Internet communications system that will allow employers and workers to access claims online. This will mean they can get the latest information on claim status and provide additional information to the claim manager electronically.

Where can I learn more about L&I's claim management improvement efforts?

Contact Jerry Gilliland, Department of Labor and Industries, 360 902-5411, gilj235@lni.wa.gov.

FIVE HIGH-PRIORITY PROJECTS

Improving claims management is one of L&I's five high-priority projects. The others are combating fraud and abuse, providing return-to-work assistance, increasing early employer contact, and preventing work-related injuries. The goal is to provide high-quality customer service and eliminate unnecessary delays that affect workers' wages and employers' insurance costs.